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C O N F I D E N T I A L SECTION 01 OF 02 BAGHDAD 000980

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SUBJECT: RRT ERBIL: KRG: LAST DIVIDED MINISTRIES MERGE

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Classified By: Regional Coordinator Lucy Tamlyn for Reasons 1.4 (b).

This is an Erbil Regional Reconstruction Team (RRT) cable.

¶1. (C) Summary. On April 6, the Iraqi Kurdistan Parliament voted to approve the merger of the ministries of Finance, Interior and Peshmerga affairs, heretofore separated into KDP and PUK ministries, and to swear in the new Deputy Prime Minister, Emad Ahmad Sayfor (PUK). The merger completes a process that was first announced on January 21, 2006, when the KDP and the PUK published an agreement to form a unified Kurdistan Regional Government. While the Peshmerga will have a unified command structure, individual military units will remain organized along provincial lines for the foreseeable future. The Internal Security and Domestic Intelligence organizations, moreover, have still not been merged, and their merger remains problematic. Finance Minister Sarkis was not present to be sworn in with the other Ministers, raising questions as to the status of the merged Finance Ministries and to Sarkis' whereabouts. End Summary.

Finally!

¶2. (U) On April 6, the Iraqi Kurdistan Parliament (IKP, formerly the Kurdistan National Assembly) voted to approve the merger of the Ministries of Finance, Interior and Peshmerga Affairs. Before this latest vote, the Kurdistan Democratic Party (KDP) and the Patriotic Union of Kurdistan (PUK) had each maintained their own separate ministries in these areas. The merger completes a process first announced on January 21, 2006, when the KDP and the PUK published an agreement to form a unified Kurdistan Regional Government. The new PUK Deputy Prime Minister Emad Ahmad Sayfor, former Minister of Housing and Reconstruction, was also sworn in (replacing former Deputy PM Omer Fattah). Although a sprinkling of legislators did not raise their hands to vote aye, there were no dissenting votes. In a speech delivered to the IKP during this special session, KRG Prime Minister Nechirvan Barzani stated that this action demonstrated the unity of the Iraqi Kurdish people and the cooperation shown by the governing parties.

¶3. (SBU) The ministers of the unified ministries are: Minister of Finance, Sarkis Aghijan Mamendu (KDP); Minister of the Interior, Karim Sinjari (KDP); and Minister of Peshmerga Affairs, Sheikh Jaafar Sheikh Mustafa (Sheikh Jaafar Qaradaghy)(PUK). Both the Minister of the Interior and the Minister of Peshmerga Affairs were sworn in on the day of the vote. The Minister of Finance is still out of the country, officially "for health reasons," and could not be sworn in. KRG officials informed RRT Team Leader that the process would be completed when Minister Sarkis returned ("maybe in a month") to be sworn in, adding that since the acting Minister for the last seven months has been PUK, the merger is de facto, if not de jure. (Note. Sarkis was last

seen in a February 2009 photo with KRG leaders and the Pope. End Note) Still under discussion is the renaming of the Ministry of Peshmerga Affairs. The Peshmerga forces may take on the name of Kurdistan Regional Guard, but there is a great reluctance to drop the name Peshmerga, and a final decision has not yet been announced.

Political, Not Operational Considerations, Held Up the Merger

14. (C) Our contacts in all three ministries had assured us over the last several months that the technical details of the merger had been worked out, and that all that was lacking was the political will to make the final decision. The then-Minister of PUK Peshmerga Affairs, Sheikh Jaafar, told us that the main hold-up lay with the central government in Baghdad, which needed to determine how many Peshmerga would be transferred to the regional government forces and how they would be paid from the GoI's Budget. (Comment: we believe that this still is unresolved. End comment) As for Finance, the former Deputy PUK Finance Minister, Dilshad Osman Fathullah, informed us that all the technical problems had been resolved by October 2008, and there was already a high degree of coordination between the PUK and the KDP Ministries of Finance. Dilshad described the operation as one ministry with two ministers, each of whom reported to the Council of Ministers in Erbil. (Comment: In fact, Finance Minister Sarkis has been out of the country since October. In his absence, PUK Finance Minister Bayeez Talabani, has been acting minister (assisted by - or possibly sharing power with - the long-time KDP Deputy Minister Rasheed). End comment)

15. (C) The merger of the two interior ministries was more complicated. This ministry was originally slated to go to the PUK, but the PUK Minister of the Interior, Othman Haji

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Mahmood, confided to us in January that President Jalal Talabani didn't trust him and that he would probably be passed over. Othman, along with four reformist PUK Politburo members, tendered his resignation shortly thereafter. Since it appeared that the PUK did not have a suitable replacement for him, the position passed to the KDP's Minister of State for the Interior, Karim Sinjari.

Peshmerga Forces Remain Organized along Provincial Lines

16. (C) While the Ministry of Peshmerga Affairs will have a unified command at the top, for the foreseeable future, units further down the military chain of command will continue to operate much as they have since the creation of the PUK and its Peshmerga forces in 1975. New recruits will have common uniforms and training. However, the Peshmerga forces will continue to be structured, at least for now, along provincial lines, according to Mohammad Said Qadir, formerly Deputy Commander of PUK Peshmerga Forces. General Qadir told us that the small size of the Peshmerga forces is not conducive to creating division-level forces that would span the entire region. Other contacts have been more frank: according to the Prime Minister's Chief of Staff, Dr. Nouri Sinjari, the Peshmerga would "start fighting each other" if full integration took place now.

PUK and KDP Retain Separate Security and Intelligence Outfits

17. (C) The internal security (Asayish) and the domestic intelligence (KDP Parastin and PUK Zanyeri) organizations have still not been merged. Hewa Jaff, Director of Foreign Affairs for the Sulaimaniyah Governorate, explained that the Asayish will be very difficult to unify because each side has spied on the other, each has maintained paid informants, and each has files and intelligence on the other. Unification

would require them to unveil everything, including who killed and kidnapped whom, and who has disappeared. Both parties just have too many secrets they need to protect, Jaff stated.

By comparison, he continued, unifying the Peshmerga was a much easier proposition. Even though the military leaders are loyal to their own political parties and the KDP and PUK fought each other in the civil war of the mid-1990s, both sides have fought shoulder-to-shoulder for decades against a common enemy.

Comment

18. (C) Comment: Reports of imminent unification have been a familiar part of the Kurdistan rumor mill for the last two years and there is a sense of relief that it has finally come to pass. Unification is an important milestone for the two parties and adds another level of confidence to a relationship that less than a decade ago had degenerated into outright civil war. That being said, there are still questions as to what "unification" means at this point. So long as Peshmerga forces are structured according to province and not across the entire region, party loyalties will likely remain strong. Concerning Finance, we expect continuing respect for the "gentleman's agreement" on dividing up revenues between PUK and KDP. We do not expect Sarkis to take up an active role as Minister even if he does return. It is worth noting that his prolonged absence, coupled with the bland assurances by authorities that he is regaining his health outside the country, has created a wild mix of rumors.

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Q Sarkis is variously reported to be dead, to be in hiding abroad, to be under house arrest in Erbil, to be under investigation for poor accounting of the millions that he was authorized to spend for the Christian community and, finally, as the keeper of the secrets of KDP finances, too powerful to let go. We do know, at least, that he is alive, as evidenced by his participation in President Barzani's visit to the Pope last month. The continued tenure of Minister of the Interior Karim Sinjari is good news for the USG. Sinjari is well respected, is considered to be the de facto "third in line" in the KDP power structure (after the President and the Prime Minister,) and has been extremely forthcoming and cooperative with USG civilian and military authorities.

BUTENIS